

Reply to Common Council File No. 001598  
From DOA-Budget and Management Division

March 9, 2001

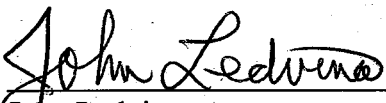
Ref: 01010(06)

Common Council File 001598 contains substitute resolution 1 (one) authorizing refunding of General Obligation Taxable Bonds, Series BY(3); BZ(3); H; and M.

This resolution authorizes the Commissioners of the Public Debt to issue and sell at a private sale General Obligation Refunding Bonds to refund portions of certain issues. The sale would occur if the City would benefit from the possible refunding of any or all of the noted bond issues as a result of declining interest rates in the municipal marketplace. The proposed Series 2001-B General Obligation Refunding Bonds would not exceed \$18,910,000.

The resolution requires that the refunding must realize minimum net present value savings of at least \$75,000. The Comptroller's Office estimates that, depending upon specific borrowing rates available when the bonds are sold, the City may realize savings of approximately \$100,000 (net present value) after all issuance expenses are satisfied. In January 1996, the City saved \$1.87 million (net present value) when specific tax exempt issues totaling \$76 million were refunded.

**RECOMMENDATION: APPROVE**

  
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John Ledvina  
Capital Planning and Finance Specialist

JJL:jjl  
Finance:001598sr.doc